

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-03-72-156
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ORDER GRANTING PARTIAL WAIVER

(Issued January 30, 2004)

On December 18, 2003, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a request for a partial waiver of the reporting requirements in 199 IAC 31.3(4) related to notification of contractual arrangements between the public utility and an affiliate. MidAmerican states that it became affiliated with Northern Natural Gas Company (Northern) on August 16, 2002, and in the ordinary course of business, MidAmerican and Northern enter into a variety of agreements related to operation of their respective natural gas pipeline businesses as a result of the interconnection of MidAmerican's natural gas pipeline and Northern's interstate pipeline system.

These operational agreements include but are not limited to easement agreements, other agreements related to real estate, interconnection agreements, and operating agreements related to town border stations. MidAmerican is requesting a permanent partial waiver of the requirement to file these operational

transactions because of the large number of agreements and their routine nature.

MidAmerican proposes to limit the scope of the waiver as follows:

1. MidAmerican will not be required to notify the Board of new transactions with Northern of the type described, as would otherwise be required by 199 IAC 31.3(4).
2. In compliance with 199 IAC 31.2(3), these agreements will be made available to the Board and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) upon request, or to any other person, if such person shall make a proper request to the Board. In order to obtain the information, a person may be required to comply with the Board's requirements related to non-disclosure of confidential information.
3. MidAmerican will include the transactions subject to the proposed waiver in its annual filings pursuant to rule 199 IAC 31.3.

MidAmerican states that the administrative burden on the utility of providing notification of each these agreements constitutes an undue hardship. MidAmerican states that the information will be available upon proper request and substantially equal protection to the public health, safety, and welfare will be afforded by the annual filing and by responding to specific requests. MidAmerican points out that filing the information is not required by law and no person will be adversely impacted by the waiver.

MidAmerican recognizes that the Board has expressed an interest in affiliate transactions between MidAmerican and Northern and MidAmerican has only requested a limited waiver for operational information. MidAmerican states that transactions between MidAmerican and Northern related to acquisition of natural gas transportation resources will continue to be provided to the Board pursuant to subrule

31.3(4). MidAmerican states that Consumer Advocate has reviewed the proposed waiver and does not object to the granting of the waiver.

Rule 199 IAC 1.3 provides that the Board may grant a waiver if it finds based upon clear and convincing evidence that the application of the rule would pose an undue hardship, the waiver would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver request described above and finds that the waiver meets the four criteria of the rule and the evidence in support of the waiver is clear and convincing.

Notification of all operational transactions between MidAmerican and Northern within 30 days of the transaction as required by subrule 31.3(4) is an undue hardship and no person's substantial legal rights will be affected by a waiver removing this requirement. Notification of the operational transactions is not specifically mandated by statute and substantially equal protection of public health, safety, and welfare will be protected after the waiver is granted. MidAmerican will file notice of all of the operational transactions with its annual filing pursuant to rule 31.3 and will make the information available upon proper request. Consumer Advocate has reviewed the filing and does not object to the limited waiver. The Board will grant the limited waiver of subrule 31.3(4) based upon its compliance with the four criteria in rule 1.3.

IT IS THEREFORE ORDERED:

The request for a partial waiver of subrule 199 IAC 31.3(4) related to notification of operational transactions between MidAmerican Energy Company and Northern Natural Gas Company filed by MidAmerican Energy Company on December 18, 2003, is granted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 30th day of January, 2004.